



## Economics of Worldwide Petroleum Production - EWP

### COURSE

#### About the Course

In the area of corporate and international petroleum production, do you know how to choose the best investments? Can you properly evaluate investment opportunities? Do you know what investment criteria really mean and which criteria to use for best results? Answers to these questions will greatly improve your ability to make profitable decisions. Techniques for predicting profit, production, operating costs, and cash flow enable the analyst to evaluate decision alternatives for optimum results. Understanding cost of capital, financial structure, risk and uncertainty, present worth, rate of return, and other economic yardsticks enhances the quality and the value of economic analysis. Discover the effects of projects on corporate profits. Probe economic factors inherent in international concessions, contracts, joint ventures, and production sharing agreements. Practice making cash flow analysis of these contractual arrangements. Discussion of real-life examples with participants from many different countries enhances their value. Each participant receives Economics of Worldwide Petroleum Production written specifically for PetroSkills courses. Due to similarity in content, PetroSkills recommends that participants take this course if they have some previous experience in this field, as the course content is more advanced than *Expanded Basic Petroleum Economics*.

"Very comprehensive." - Exploration & New Ventures Technical Coordinator, United States

#### Target Audience

Managers, supervisors, and operating personnel concerned with costs, profitability, budgets, the company bottom line and other aspects of economic analysis of petroleum production on a project, corporate, and worldwide basis, who have had some previous experience in this area. Due to similarity in content, PetroSkills recommends that participants take this course if they have some previous experience in this field as the course content is more advanced than Expanded Basic Petroleum Economics. Take one or the other, but not both courses.

#### You Will Learn

Participants will learn how to:

- Use cash flow techniques in economic evaluations
- Evaluate and choose investment opportunities
- Use models to weigh risk and uncertainty
- Evaluate decision alternatives using predictive techniques
- Evaluate how projects effect the corporation

## Course Content

- Pricing: natural gas, marker crudes, OPEC, spot and futures markets, transportation
- Production rate: mathematical models
- Cash flow: revenue, capital and operating costs, spreadsheet exercises
- Economic evaluation: present value concepts, sensitivity and risk analysis, decision trees, royalty, sources of capital, incremental economics, sunk costs, inflation
- Budgeting: examples and exercises, long-range planning
- Cash versus write-off decision: depreciation, depletion, and amortization
- How to read an annual report: statements, financial ratios, what is and is not included, reading between the lines
- Worldwide business operations: concessions, licenses, production sharing contracts, joint ventures, cost of capital, sources of funding, debt and equity
- Performance appraisal: buy/sell assessments
- Computer economics software
- Tips on format and inclusion of economic factors in computer spreadsheet analysis
- Ethics in economic analyses

## Product Details

Categories: [Upstream](#), [Midstream](#), [Business & Management](#)

Disciplines: [Petroleum Business](#)

Levels: [Foundation](#)

Product Type: [Course](#)

Formats Available: [In-Classroom](#)

Instructors: [PetroSkills Specialist](#) [Kent Saugier](#)